

**ORDINANCE NO. 9**

**SERIES 2014**

**AN ORDINANCE AMENDING AND REPLACING THE AFFORDABLE HOUSING GUIDELINES FOR PARADISE PARK SUBDIVISION, BLOCKS 77 AND 78 CONTAINED IN APPENDIX N, PART VII OF THE CRESTED BUTTE MUNICIPAL CODE, APPLICABLE TO BLOCK 77, LOT 4, UNIT B ONLY; AMENDING AND REPLACING THE AFFORDABLE HOUSING GUIDELINES FOR THE TOWN RANCH HOUSE CONTAINED IN APPENDIX N, PART IV OF THE CRESTED BUTTE MUNICIPAL CODE; AND AMENDING THE RENTAL GUIDELINES FOR TOWN OWNED UNITS IN THE AFFORDABLE HOUSING GUIDELINES FOR PARADISE PARK SUBDIVISION, BLOCKS 77 AND 78 CONTAINED IN APPENDIX N, PART VII OF THE CRESTED BUTTE MUNICIPAL CODE**

WHEREAS, the Town of Crested Butte, Colorado (the "**Town**") is a home rule municipality duly and regularly organized and now validly existing as a body corporate and politic under and by virtue of the constitution and laws of the State of Colorado;

WHEREAS, pursuant to Article XX of the Colorado Constitution, as implemented through the Town of Crested Butte Charter, Title 31, Article 23, and Title 20, Article 29, C.R.S., the Local Government Land Use Control Enabling Act of 1974, the Town has the authority to enact and enforce land use regulations, including, without limitation, requirements for affordable housing;

WHEREAS, the Crested Butte Municipal Code (the "**Code**") contains affordable housing guidelines regulating the ownership and rental occupancy of units in Paradise Park Subdivision and the Town Ranch House, respectively;

WHEREAS, the Town staff has found that the affordable housing guidelines for Paradise Park Subdivision applicable to Block 77, Lot 4, Unit B require amendment in order to amend the formula for the maximum sale price of the Unit;

WHEREAS, the Town staff has also found that the affordable housing guidelines for the Town Ranch House and the affordable housing guidelines for Paradise Park Subdivision, Block 77 and 78 require amendment in order to change the rental occupancy requirements for Town-owned units;

WHEREAS, based on its findings, the Town staff has recommended to the Town Council that it adopt the following amendments to the Code amending the affordable

housing guidelines for Paradise Park Subdivision applicable to Block 77, Lot 4, Unit B only to amend the formula for the maximum sale price of the Unit and the affordable housing guidelines for the Town Ranch House and the affordable housing guidelines for Paradise Park Subdivision, Block 77 and 78 to change the rental occupancy requirements for Town-owned units; and

WHEREAS, the Town Council finds that the below amendments to the Code accomplish the goals of amend the formula for the maximum sale price resecting applicable to Paradise Park Subdivision, Block 77, Lot 4, Unit B and changing the rental occupancy requirements for Town-owned units in the Town Ranch House and Paradise Park Subdivision, Block 77 and 78, and such amendments are in the best interest of the health, safety and welfare of the residents and vsitors of Crested Butte.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF CRESTED BUTTE, COLORADO, THAT:

**Section 1. Amending the Guidelines for Paradise Park Subdivision.**

(a) The Affordable Housing Guidelines for Paradise Park Subdivision, Block 77 and 78 contained in Appendix N, Part VII of the Code as respects Block 77, Lot 4, Unit B only are hereby amended and replaced with new Affordable Housing Guidelines for Paradise Park Subdivision, Block 77, Lot 4, Unit B in substantially the same form as attached hereto as **Exhibit "A."**

(b) The Affordable Housing Guidelines for Paradise Park Subdivision, Block 77 and 78 contained in Appendix N, Part VII of the Code applicable to Town-owned units are hereby amended by the Town Owned Rental Units Occupancy and Rental Guidelines in substantially the same form as attached hereto as **Exhibit "B"** (the "**Rental Guidelines**"). The Rental Guidelines shall be codified in Appendix N, Part IV.

**Section 2. Amending the Guidelines for the Town Ranch House.** The Affordable Housing Guidelines for the Town Ranch House contained in Appendix N, Part IV of the Code are hereby amended by the Rental Guidelines attached hereto

**Section 3. Recording of Instruments on the Real Property Records.** Following adoption of this ordinance, the Town Clerk shall cause such instruments prepared and approved by the Town Attorney reflecting the amendments to the Code set forth in this ordinance to be recorded on the official real property records of the Office of the Clerk and Recorder of Gunnison County, Colorado.

**Section 4. Severability.** If any section, sentence, clause, phrase, word or other provision of this ordinance is for any reason held to be unconstitutional or otherwise invalid, such holding shall not affect the validity of the remaining sections, sentences, clauses, phrases, words or other provisions of this ordinance, or the validity of this ordinance as an entirety, it being the legislative intent that this ordinance shall stand notwithstanding the invalidity of any section, sentence, clause, phrase, word or other provision.

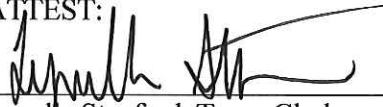
**Section 5. Savings Clause.** Except as amended hereby, the Crested Butte Municipal Code, as amended, shall remain valid and in full force and effect. Any provision thereof that is in conflict with this ordinance is hereby repealed as of the enforcement date hereof.

INTRODUCED, READ AND SET FOR PUBLIC HEARING THIS <sup>5<sup>th</sup></sup>~~10<sup>th</sup>~~ DAY OF ~~JUNE~~ <sup>August</sup>, 2014.

ADOPTED BY THE TOWN COUNCIL UPON SECOND READING IN PUBLIC HEARING THIS <sup>25<sup>th</sup></sup> DAY OF <sup>August</sup>, 2014.

TOWN OF CRESTED BUTTE, COLORADO

By:   
Aaron J. Huckstep, Mayor

ATTEST:  
  
Lynelle Stanford, Town Clerk

[SEAL]



**EXHIBIT "A"**

(attach new Affordable Housing Guidelines for Paradise Park Subdivision, Block 77, Lot 4, Unit B here)

**EXHIBIT "B"**

(attach new Town Owned Rental Units Occupancy and Rental Guidelines here)

## APPENDIX N

### Affordable Housing Guidelines

#### PART X.

#### PARADISE PARK SUBDIVISION, BLOCK 77, LOT 4 UNIT B

The following guidelines apply only to Paradise Park Subdivision, Block 77, Lot 4, Unit B:

##### **Rationale.**

The 1992 Crested Butte/Gunnison Area Housing Needs Assessment, the 1999 Gunnison County Housing Needs Assessment, the 2000 Residential Job Generation Study, and the Housing Section of the Crested Butte Land Use Plan, amended March, 2003, demonstrate that affordable housing is needed in the Town of Crested Butte.

##### **Administration.**

The Town Manager, or his or her designee, shall administer these Guidelines, and shall hereafter be referred to as "The Town". When the "Town Council" is referred to in these Guidelines, only the Town Council of Crested Butte shall perform such activities, unless the Town Council designates a staff person, a "housing authority" or other entity to perform the activity.

##### **Definitions.**

*Applicant* means any person who wishes to purchase or rent the Unit.

*Area median income ("AMI")* means the median income for Gunnison County, adjusted for household size as published by the U.S. Department of Housing and Urban Development (HUD), or the agency that publishes such a number in its place in the future, each year.

*Consumer Price Index ("CPI")* means the latest published version of the Denver-Boulder Greeley, CO Consumer Price Index for Urban Wage Earners, published by the U.S. Department of Labor, Bureau of Labor Statistics or its successor agency.

*Customary closing costs* means the normal, ordinary costs associated with the sale and purchase of real property, including costs and expenses associated with the closing of a loan for real property. The customary closing costs shall be allocated as follows:

<i>Seller</i>	<i>Buyer</i>
Fifty percent (50%) of the Crested Butte "Land Transfer Excise Tax"	Fifty percent (50%) of the Crested Butte "Land Transfer Excise Tax"
Fifty percent (50%) of the Title Company's Closing/Settlement fees	Fifty percent (50%) of the Title Company's Closing/Settlement fees
All real property taxes prorated to the date of closing based upon taxes for the calendar year immediately preceding closing or the most recent mill levy and most recent assessment	Survey, if applicable
Prorated water and sewer monthly use fees to the date of closing	Recording fees

All other outstanding fees and assessments, such as home-owners' association dues, prorated to the date of closing	Certificate of taxes due
Owner's title insurance	One hundred percent (100%) of loan fees
Town administration fee, up to two percent (2%) of total sale price, if applicable	Lender title insurance
Document preparation fees	Inspection fees
All real estate commissions	

*Dependent* means a minor child (eighteen [18] years or younger) or other relative of the renter or owner of a Unit, which child or relative is taken and listed as a dependent for federal income tax purposes by such renter or owner, or his or her present or former spouse, significant other or life partner (said child must also be related by blood or adoption and residing with the individual at least one hundred eighty [180] days out of every twelve-month period of time).

*Disabled person* means a person who meets the definition of "individual with a disability" contained in 29 U.S.C. § 706(8), as amended, and/or defined in the Americans with Disabilities Act of 1990; and/or a person who has a "handicap" as defined in Section 24-34-301(4), C.R.S., the Colorado Anti-discrimination Act.

*Grievance* means any dispute that an owner, purchaser or tenant may have with the Town or its designee with respect to action or failure to act in accordance with the individual owner's, purchaser's or tenant's rights, duties or status.

*Gross assets* means anything which has tangible or intangible value, including property of all kinds, both real and personal; includes among other things, patents and causes of action which belong to any person, any blind trust(s), as well as any stock in a corporation and any interest in the estate of a decedent; also, the entire property of a person, association, corporation or estate that is applicable or subject to the payment of debts. Gross assets shall include funds or property held in a living trust or any similar entity or interest, where the person has management rights or the ability to apply the assets to the payment of debts.

*Gross income* means the total income, to include alimony and child support derived from a business trust, employment and from income-producing property, before deductions for expenses, depreciation, taxes and similar allowances.

*Guidelines* means these Affordable Housing Guidelines applicable to only Paradise Park Subdivision, Block 77, Lot 4, Unit B.

*Household assets* means gross assets minus liabilities of a Qualified Buyer or Qualified Renter and his or her Dependents.

*Household income* means combined gross income of all household income, which is the income reported on the previous year's Federal Income Tax Return(s) of a Qualified Buyer or a Qualified Renter and his or her Dependents. *Household size* means household size computed by adding up the Qualified Buyer or Qualified Renter and his or her Dependents.

*Liabilities* means existing financial obligations or debts.

*Lottery* means a drawing to select a winner from equal applicants in the same priority.

*Maximum sale price* means the maximum amount for which the Unit may be transferred, calculated as described in Exhibit A.

*Net assets* means gross assets minus liabilities. Retirement accounts will be reviewed on a case-by-case basis to determine whether or not they shall be included as a net asset.

*Physically challenged accessible units* means those designed and constructed to specifically meet the needs of a Disabled Person.

*Qualified buyers* means persons meeting the Eligibility Qualifications for eligible owners set forth Section 1 below.

*Roommates* means those people occupying the Unit who are neither Qualified Buyers nor Qualified Renters.

*Total maximum household income* means the combined income of a Qualified Buyer or a Qualified Renter and his or her Dependents.

*The Town* means the Town Manager of Crested Butte, or his/her designee.

*Town Council* means the Town Council of the Town of Crested Butte, acting in its official capacity.

*Unit* means the real property located at Block 77, Lot 4, Unit B, according to \_\_\_\_\_.

## **Section 1. Eligible Owners.**

A. *Entities Approved by the Town Council ("Approved Entities")*. Any entity, approved by the Town Council, having a purpose of providing or administering affordable housing; provided that the entity agrees to continue to enforce the herein Eligibility Qualifications for owners, as well as the resale restrictions for owners with respect to whom a Unit may be sold and for what price.

B. *Qualified Buyers*. A Qualified Buyer is a person who meets all of the following Eligibility Qualifications. Asset Limits and Maximum Income Limits apply to a Qualified Buyer and his or her spouse and Dependents.

### **1. Eligibility qualifications:**

- a. Work in Gunnison County. The person is employed in Gunnison County.
- b. Percentage of income in the County. Eighty percent (80%) of all his or her income is "earned income" in Gunnison County during the twelve (12) months prior to applying to qualify to purchase the Unit. Earned income shall be defined by the Internal Revenue Service (IRC S 32(c)(2) Earned Income (3/20/1995) or as it may be amended).
- c. Land ownership. No person or his or her Dependents shall own an interest, alone or in conjunction with others, in any improved residential real estate except residential property which according to the terms of a deed restriction cannot be owner-occupied at the time of closing on the Unit. Improved residential real estate must be sold to an unrelated person or an



entity in which such person has no interest, prior to closing on the Unit. An owner of a fifty percent (50%) or less undivided interest in improved residential real estate may convey that interest to the other joint owner(s) with or without receiving consideration. Unimproved residential real property outside the Subdivision must remain unimproved during the time the Unit is rented in the Subdivision. If the unimproved land is improved with a residence, the owner must sell the Unit upon issuance of a Certificate of Occupancy on the other real property.

d. Residency. The person must reside in Gunnison County, Colorado, at the time a contract is signed.

e. Maximum income limit. The total maximum income limit for a qualified buyer, and his or her dependents shall depend upon the particular unit sought and shall be no greater than that set forth in Exhibit B.

f. Asset limits. The assets of a qualified buyer and his or her dependents shall not exceed four (4) times the maximum income limit for the unit, unless the qualified buyer or his or her dependents is/are a senior citizen aged fifty-nine and one-half (59½) or older, in which case the asset limit is one hundred fifty percent (150%) of four (4) times the maximum income for the unit based on the targeted household size for the unit identified in Exhibit B.

**2. Exemptions from Eligibility Qualifications.** A request for an exemption from the Eligibility Qualifications may be requested from the Town Council. Variations from the strict application of these Guidelines must be consistent with the intent of these Guidelines, and may be granted only upon a showing of unusual hardship, special circumstance or a compelling reason for the exemption.

a. A request for an exemption must be submitted in writing to the Town and shall include appropriate documentation in support of the exemption. The applicant shall submit any additional information reasonably requested by the Town, in support of such request.

b. The request shall be reviewed by the Town Council in a timely manner. Upon demonstration that an exemption is appropriate, the Town may grant the request, with or without conditions. The approval should not compromise the public good and should not substantially impair the intent and purpose of these Guidelines.

c. Examples of hardships, exceptional circumstances or compelling reasons include, but are not limited to:

1) A person who suffered from a major illness or accident and was unable to engage in any substantial gainful activity during the past year;

2) A person who temporarily left Gunnison County to attend college or other educational training;

3) A recently hired employee of the municipal government of Crested Butte or any other employee providing essential services to the Town;

4) Those who are certified as being unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to last indefinitely;

5) Those with federally recognized disabled dependents; or

6) Those persons who are court-appointed legal guardians with wards who are otherwise Qualified Buyers.

**3. Establishing Eligibility Qualifications.** To establish Eligibility Qualifications, the Town will request documentation that may include, but not be limited to:

- a. Copies of federal income tax returns;
- b. Verification of employment in Gunnison County (i.e., wage and tax statements);
- c. IRS Form W2;
- d. Completed, signed and dated Town application;
- e. A statement regarding the applicant's ownership of other real property;
- f. An affidavit by the applicant verifying the truth of the information provided;
- g. Landlord verification (proof of residency by physical address);
- h. Vehicle registration;
- i. Voter registration;
- j. Wage stubs;
- k. Employer name and address;
- l. Copy of a valid Colorado driver's license or Colorado identification card;
- m. Telephone number; and
- n. Any other verification deemed necessary by the Town.

**4. Town to make determination as to eligibility.** The Town shall make the final determination as to the Eligibility Qualifications of a prospective purchaser of a Unit.

**5. Mortgage loan co-signers.**

a. An individual other than a Qualified Buyer may co-sign, along with the Qualified Buyer, on a mortgage loan for the Unit. That individual may also appear on the title to the Unit.

b. If title to the Unit transfers solely to the co-signer, the Unit must be sold to a Qualified Buyer unless the co-signer meets all of the criteria for a Qualified Buyer at the time the title transfers. The Unit may not be occupied or rented prior to the sale.

## Section 2. Procedures for Sale of the Unit.

The sale of the Units shall be in accordance with the procedures set forth below, except that where a conflict exists between the rules and regulations of other funding sources or Approved Entities, the rules and regulations of the funding sources or entities shall take precedence over these Guidelines, to the extent of the conflict only.

A. *Consulting Legal Counsel.* All purchasers and sellers are advised to consult legal counsel regarding examination of title, all contracts, agreements and title documents pertaining to the purchase or sale of property discussed herein. The retention of such counsel or such related services shall be at the purchaser's or seller's own expense.

B. *Sale of Units.* Upon a determination by the Town that a Unit is available for sale, the Town shall place an announcement in the legal publications section of the official newspaper of the Town announcing the address of the Unit for sale and information regarding where to obtain applications to purchase the Unit, or the Town Council may require that the owner convey the Unit directly to an Approved Entity. If the Unit is conveyed directly to an Approved Entity, these following selection procedures need not apply to such Approved Entity for the selection of a purchaser for such Unit, so long as the purchaser selected is a Qualified Buyer.

1. Applicants shall complete an application for the Unit, which application shall contain sufficient information for the Town to determine whether or not the applicant is a Qualified Buyer, including a letter from a lending institution stating that the applicant is qualified to borrow adequate funds to pay for the Unit.

2. Applicants will be notified in a timely manner by the Town as to whether he or she meets the Eligibility Requirements to be a Qualified Buyer. Applicants who have been determined not to be a Qualified Buyer may request an exemption from the Town Council.

3. Approved Entities may select Qualified Buyers pursuant to their own established rules and regulations, so long as the purchaser selected is a Qualified Buyer. Approved Entities may request exemptions from the Eligibility Qualifications as appropriate.

4. **Lotteries.** If more than one Qualified Buyer applies to purchase the Unit, lotteries shall be held to choose which Qualified Buyer will be offered the opportunity to purchase the Unit.

- a. **First lottery.** Qualified Buyers who meet the Target Household Size set forth in Exhibit B and who have also worked more than four (3) years in Gunnison County will receive top priority in the lottery process. A first lottery will be held for the Unit containing only the names of Qualified Buyers who meet the Target Household Sizes and who have also worked more than four (4) years in Gunnison County. Each such Qualified Buyer will receive the number of chances in the lottery as set forth in Table VIII-1 below.

- b. **Subsequent lotteries.** A Qualified Buyer who has worked more than four (4) years in Gunnison County but does not meet Target Household Size will receive second priority in the lottery process. A subsequent, separate lottery will be held for the Unit containing only the names of Qualified Buyers in the second priority, and each Qualified Buyer will receive the number of chances in the lottery as set forth in Table VIII-1, below.

Table VIII-1

Number of Chances in Lottery Based on Number of Years Worked in Gunnison County (For Those Applicants in the Second Priority Category — Those Who Have Worked in Gunnison County)

**More Than 4 Years Prior to Application Date)**

<i>Years Worked Category</i>	<i>Number of Chances</i>
More than 4 years, fewer than 8 years	5 chances
More than 8 years, fewer than 12 years	6 chances
More than 12 years, fewer than 16 years	7 chances
More than 16 years, fewer than 20 years	8 chances
More than 20 years	9 chances

c. Subsequent lotteries for people who have worked in Gunnison County more than one (1) year immediately prior to the lottery. If no Qualified Buyer applying for the Unit has worked in Gunnison County more than four (4) years, a subsequent, separate lottery will be held containing the name of a Qualified Buyer who has worked in Gunnison County more than one (1) year immediately prior to application for purchase. Each applicant will receive a single chance in that lottery.

d. Subsequent lotteries for people who have worked in Gunnison County less than one (1) year. If no Qualified Buyer applying for the Unit has worked in Gunnison County at least one (1) year, another subsequent, separate lottery will be held containing the name of a Qualified Buyer who has worked in Gunnison County immediately prior to application for purchase. Each applicant will receive a single chance in that lottery.

e. Maintaining a list of the chosen people. A list of the order in which names are chosen will be retained. In the event the first name drawn cannot complete the transaction, the next name chosen will be offered the opportunity to purchase the Unit. In the event the next name drawn cannot complete the transaction, the subsequent name chosen will be offered the opportunity to purchase the Unit, and so on, until a purchaser has been found for the Unit. Once a name has been drawn, on subsequent times the same name is drawn, that name will be discarded. The lottery shall continue until each applicant's name has been drawn.

f. Other guidelines concerning lotteries. Prior to any lottery, the date, time and place of the lottery will be published in the legal publications section of the official newspaper of the Town for at least one (1) week prior to the lottery. All lotteries will be administered by the Town Manager or his designated representative.

*C. Procedures for Resale for Unit.*

1. **Sellers shall sell to a qualified buyer.** Sellers must sell to a Qualified Buyer. If there are multiple interested Qualified Buyers the Town shall conduct a lottery.

2. **Qualified Buyers.** Subsequent Qualified Buyers must meet the same Eligibility Qualifications and be qualified in the same manner as initial applicants.

3. **Offering Unit for sale.** The Owner shall notify the Town of the intent to sell the Unit prior to advertising the Unit or listing it for sale. The Owner shall consult with the Town to confirm the correct Maximum Sale Price for the Unit prior to announcing the Unit for sale. The Owner shall list the Unit with the Town if a licensed transactional broker is available through the Town. If no transactional broker is available, the Seller may sell a Unit directly, or the Seller may list the Unit with a real estate broker licensed to do business in the State of Colorado. After

notifying the Town of the intent to sell the Unit, the Owner must also place an announcement in the legal publications section of the official newspaper of the Town, at the Owner's expense, containing:

- a. The address of the Unit;
- b. A statement that potential buyers must meet Town Eligibility Qualifications, or receive an exemption from the Town;
- c. The contact address for the Owner; and
- d. The offered sale price of the Unit, not to exceed the Maximum Sale Price, as established in Exhibit A.

4. **Determining the Maximum Sale Price.** The Maximum Sale Price for the Unit shall be calculated according to the appropriate formula set forth in Exhibit A.

6. **Town notification.** The owner shall submit to the Town the purchase contract and the documentation establishing the prospective purchaser's qualifications at least thirty (30) days prior to the scheduled closing. The Town shall, within fifteen (15) days of receipt of the purchase contract and prospective purchaser information, provide a letter to the owner and prospective purchaser indicating whether or not the prospective purchaser is an Eligible Owner as set forth in Subsection 1.A. hereof.

7. **Customary closing costs.** The Owner shall not permit the prospective purchaser to assume any or all of the seller's customary closing costs. The Owner shall not accept any other consideration which would cause an increase in the sales price of the Unit above the Maximum Sale Price, or for any other reason induce the owner to sell the Unit to a purchaser in violation of these Guidelines.

8. **No guarantees.** The Town does not represent or guarantee that the owner will obtain the Maximum Sale Price.

9. **Administration fees.**

a. If a licensed transactional broker is available through the Town, at the closing of the sale of the Unit, the owner will pay the Town an administration fee in an amount to be established by the Town. The amount shall not exceed two percent (2%) of the total sale price of the Unit. One-half (½) of the administration fee shall be paid by the seller at the time of listing, which is applied to the total administration fee payable at closing. The Town may instruct the title company to pay the balance of administration fees owed to the Town out of the funds available to the owner at the closing. In the event the owner fails to perform under the listing contract, rejects all offers at Maximum Sale Price in cash or cash-equivalent terms, or withdraws the listing after advertising has commenced, that portion of the administration fee paid will not be refunded. In the event the owner withdraws for failure of any bids to be received at Maximum Sale Price or with acceptable terms, the advertising and administrative costs incurred by the Town shall be deducted from the administration fee, and the balance refunded or credited to the owner's administration fee when the Unit is sold.

b. If a licensed transactional broker is not available at the Town, there will be no administration fees.

**10. First right of refusal.**

a. Offer of purchase/first right of refusal. No owner may sell the Unit or any interest therein except pursuant to the provisions of this Section. Any owner, except the Town, who receives, and intends to accept, a bona fide offer for the purchase of the Unit, shall give prompt written notice to the Town of the name and address of the proposed purchaser, the terms of the proposed transaction and other information as the Town may reasonably require. The owner shall thereupon offer to sell the Unit to the Town under the same terms and conditions. The giving of notice shall constitute a warranty and representation to the Town that such owner believes the offer to purchase to be bona fide in all respects.

b. Term of Town's right. Within twenty-four (24) days, beginning on and including the date of the actual receipt of such information, the Town shall have the right to purchase the noticed Unit on the same terms and conditions as contained in the original offer.

c. Exercise of right. In order to exercise its right of first refusal, the Town must, on or before the end of such twenty-four-day period, actually deliver to the owner a written commitment to purchase the noticed Unit. If the Town exercises its right to purchase the Unit, it shall contract with the offering owner to purchase the noticed Unit upon the same terms and conditions as contained in the noticed offer, or upon terms and conditions no less favorable to the offering owner. The Town shall also tender to the offering owner any down payment or deposit made under the noticed offer.

d. Nonexercise of right. If the Town does not exercise its right hereunder within the time period provided, the offering owner shall be free to accept and close upon the noticed offer. If the offering owner does not, within the period provided in the noticed offer, close the transaction on the terms and conditions contained therein, the offering owner shall be required to again comply with all of the terms and provisions of this Section in order to subsequently sell the Unit.

e. Failure to comply. Any sale of the Unit without full compliance with the terms and provisions of this Section may be voided at the election of the Town.

f. Certificate. After full compliance with this Section by an offering owner, and after the period of time provided for purchase by the Town has expired and the right of first refusal has not been exercised, the Town shall execute a certificate of record stating that the provisions of this Section have been met, and any right of first refusal vested with the Town has terminated.

g. Exceptions. The following transfers or conveyances are excepted from the provisions of this Section:

- 1) A transfer to, or purchase by, any mortgagee who acquires title as a result of foreclosure proceedings or conveyance in lieu thereof; and a transfer or sale by any such mortgagee after acquisition of the Unit by foreclosure or conveyance in lieu thereof.
- 2) A transfer or conveyance between or among co-tenants of the Unit, spouses, children or parents of owners (who must be Qualified Buyers).
- 3) A transfer or conveyance by gift, devise or inheritance or by operation of law.

### **Section 3. Ownership of units and maintaining eligibility for ownership.**

All Unit owners, both initial and subsequent, must comply with the following requirements:

A, *Units Subject to Deed Restriction and Option to Purchase.* The Unit is subject to all terms and conditions contained in these Guidelines. It is also subject to the deed restriction recorded against the property.

#### **B. *Occupancy.***

1. The Unit must be occupied by owners or by renters of Unit as their sole and exclusive residence, subject to the provision on Leaves of Absence described in Section 3.D. below.

2. The Crested Butte Town Manager shall be exempt from the requirement to occupy his or her unit as his or her sole and exclusive residence.

3. The Town Manager may temporarily suspend the requirement in Paragraph 1. above that units must be occupied by owners as their sole and exclusive residence, subject to the provision on Leaves of Absence described in Subsection 3.D.

a. The Town Manager may temporarily suspend the owner occupancy requirement in Paragraph 1. above when the Town Manager finds the following circumstances to be true:

1) An owner makes a written request to the Town to rent the Unit, for no more than six (6) months,

2) The Unit owner has been actively trying to sell the Unit for at least six (6) months, and

3) The owner has moved out of Gunnison County and does not intend to return.

b. Owner-occupied units that are rented when the owner has moved out of the County shall only be rented to Qualified Renters, as described in Section 4, Rentals, and such renters shall be qualified by the Town as described in Subsection 4.B.

c. Prior to the end of the six-month rental term, if the Unit has not been sold, the owner may request a second six-month rental term. At the end of the second rental term, the Unit may no longer be rented and, if the owner has not returned to live in the Unit, the Unit shall be sold to a Qualified Buyer as provided herein.

#### **C. *Requalification.***

1. **Continuing compliance with eligibility qualifications.** The Town may conduct random audits and investigate complaints or reports of noncompliance at its discretion. The Town may require an owner to demonstrate that he/she complies with all applicable Eligibility Qualifications. If the owner fails to meet the applicable Eligibility Qualifications or ceases to use the housing as his or her sole and exclusive place of residence (subject to the provisions on Leaves of Absence), the Unit shall be sold to a Qualified Buyer as provided herein. In the event that title to a Unit vests by descent in individuals and/or entities who are not Qualified Buyers, the Unit shall be offered for sale and shall be sold to a Qualified Buyer within one (1) year after the Town notifies the owner of

the obligation to sell. In the event a Unit is required to be sold pursuant to this Section, the Unit may not be occupied or rented prior to the sale.

2. **Exceptions to complying with eligibility qualifications.** Each owner shall continue to comply with the applicable Eligibility Qualifications except for the following:

a. Maximum Income Limits and Asset Limits.

b. An owner who reaches the age of fifty-nine and one-half (59½) years and/or otherwise demonstrates retirement from full-time work need not continue to comply with the following Qualified Buyer requirements: work in Gunnison County, and percentage of income in the County.

D. *Leaves of Absence.*

1. **Requests for Leaves of Absence.** An owner may request written approval from the Town for a Leave of Absence for up to one (1) year, or, in the Town's discretion, up to one (1) additional year. Leaves of Absence may not exceed two (2) years in any ten-year period. Leaves of Absence may be granted upon convincing evidence that the owner has a bona fide reason for leaving and a commitment to return to live in the Unit.

2. **Renting a unit during a Leave of Absence.** The Unit may be rented if an owner has requested and received, in writing, permission from the Town for a Leave of Absence, and additional permission to rent the Unit during the period of the absence.

3. **People to whom units may be rented.** When an owner has been granted a Leave of Absence, the owner's Unit may only be rented to those who meet the Eligibility Qualifications of a Qualified Renter as set forth herein.

4. **Rental rates.** When an owner has been granted a Leave of Absence, the maximum rental rate for any Unit shall be no more than the sum of:

- a. The monthly mortgage principal and interest payment; plus
- b. Condominium or townhouse fees; plus
- c. Utility costs remaining in the owner's name; plus
- d. Taxes and insurance prorated on a monthly basis; plus
- e. Up to three percent (3%) of the monthly principal and interest payment per month.

E. *Roommates Occupying a Unit With Owner.* Roommates need not meet Eligibility Requirements.

**Section 4. Grievance Procedures.**

A grievance may be presented to the Town under the following procedures.

A. *Filing a Grievance.* Any grievance must be presented in writing to the Town. It may be simply stated, but shall specify:



1. The particular ground(s) upon which it is based;
2. The action requested; and
3. The name, address, telephone number of the complainant and similar information about his or her representative, if any.

**B. *Hearing.***

1. If a grievance cannot be resolved by the Town, a hearing before the Town Council may be requested in writing by the complainant. Upon receipt of the written request, a hearing must be scheduled within twenty (20) days unless waived by the complainant.

2. The complainant and the Town shall have the opportunity to examine and, at the expense of the requesting party, to copy all documents, records and regulations of the Town that are relevant, before the hearing.

3. The complainant and the Town have the right to be represented by counsel. All costs and expenses incurred by a complainant in prosecuting any complaint or grievance shall be said complainant's sole responsibility and shall not be the responsibility of the Town irrespective of the outcome of said complaint or grievance.

**C. *Decision.*** Based on the record of proceedings, the Town Council will provide a written decision upon request and include the reasons for its determination. The decision of the Town Council shall be binding on the complainant and the Town, except in such cases where an appeal to a court of competent jurisdiction is requested. The parties shall take all reasonable actions necessary to carry out the decision except in cases where the decision of the Town Council is appealed to a Court.

**Section 5. Default/Breach/Enforcement.**

**A. *Procedure for Violation, Default or Breach.*** If a violation, default or breach is alleged, the Town shall send a notice of such to the owner detailing the nature of the violation and allowing the owner or renter fifteen (15) days to determine the merits of the allegations or to correct the violation. In the event the owner or renter disagrees with the allegation of violation of these Guidelines and the matter cannot be settled informally with the Town, the owner or renter may request, in writing, a hearing before the Town Council. If the owner or renter does not request a hearing or the violation is not cured within the fifteen-day period, the owner shall be considered in violation of these Guidelines.

1. **Hearing.** The hearing described above shall be scheduled within twenty (20) days of the date of the receipt of a written request for a hearing. At any such hearing, the complainant and the Town may be represented by counsel and may present evidence on the issues to be determined at the hearing. An electronic record of the hearing shall be made and the decision of the Town Council shall be a final decision, subject to judicial review.

2. **Effect of noncompliance.** In the event a Unit is sold and/or conveyed, or utilized in any way without compliance with the terms of these Guidelines, such sale and/or conveyance shall be wholly null and void and shall confer no title whatsoever upon the purported buyer. Each and every conveyance of a Unit for all purposes shall be deemed to include and incorporate by this reference all terms herein contained.

3. **Enforcement options.** In the event an owner fails to cure any breach of the terms, requirements and conditions set forth in these Guidelines, the Town may resort to any and all legal and/or equitable actions, including but not limited to specific performance of these Guidelines, injunction, abatement or eviction, and if the Town substantially prevails in such action, it shall be entitled to an award for its attorney fees and costs.

**Section 6. Scrivener's Error.**

In the event that any scriveners or other clerical error is found in these Guidelines, the Town may correct said scriveners or other clerical error by memorandum recorded in the real property records of Gunnison County, State of Colorado. Said corrective memorandum shall not require the approval of the Town Council.

## **Exhibit A**

### **Maximum Sale Price**

The Unit may not be sold for an amount in excess of the Maximum Sale Price. Maximum Sale Price will be established as of the date the seller notifies the Town of the seller's desire to sell the Unit.

In no event shall the Maximum Resale Price be in excess of the lesser of

- (a) the latest purchase price plus an increase of three percent (3%) of such price per year from the date of purchase to the date of Owner's notice of intent to sell]
- (b) The latest purchase price multiplied by the change in the CPI from the date of purchase to the date of owner's notice of intent to sell plus the owner's original purchase price.

## Exhibit B

### Maximum Income Limits and Target Household Sizes

The Maximum Income Limit and Target Household Size for this Unit is listed below. AMI is based upon Household Size (the Qualified Buyer or Qualified Renter plus his or her Dependents).

The Unit shall be owner-occupied.

#### Maximum Income Limits and Target Household Sizes

<i>Block 77 Unit</i>	<i>Maximum Income Limit</i>		<i>Target Household Size</i>
4B	80% of AMI		1 person household

## **APPENDIX N**

### **Affordable Housing Guidelines**

#### **PART IV.**

#### **TOWN OWNED RENTAL UNITS OCCUPANCY AND RENTAL GUIDELINES**

##### **Section 1. Applicability.**

The following guidelines apply to rental units controlled by the Town of Crested Butte. These guidelines apply to the following units: Town Ranch Units 1-3, Block 77, Units 6A and 6B and the accessory dwelling unit located in Block 78, Lot 5 (which is subject to the additional regulations found in Section 5 below). Previous guidelines for these units relative to rentals are amended and supplemented by these guidelines.

##### **Section 2. Eligibility Qualifications.**

A. Eligible renters of Town employee rental living units shall be qualified in the following priority:

- 1) Full-time employees of the Town of Crested Butte as defined by the Town;
- 2) Part-time and seasonal employees of the Town of Crested Butte;
- 3) Essential services employees
  - (a) Mountain Express employees;
  - (b) Fire personnel;
  - (b) Emergency Medical Technicians (EMTs);
  - (c) Public school teachers and administrators;
  - (d) Mt. Crested Butte emergency services personnel;
  - (e) County Sheriff personnel, and other as identified by the Town Council;
- 4) Members of the general public for a maximum lease period of a year

B. Eligible renters shall not own developed residential property in Gunnison County unless the Town Manager exempts such eligible renter for good cause shown.

##### **Section 3. Process for Qualifying for Town Rental.**

A. *Length of Lease.* Each Town rental living unit shall be leased for one (1) year. Leases shall be renewed annually if persons in Categories 1, 2 and 3 are current in their rental payments

and are not in violation of any term or condition of their lease. Category 4 units shall be reoffered to another eligible renter at the expiration of the lease term.

*B. Process.*

1. The Town shall notify all full-time Town employees when a Town rental living unit becomes available. If a unit is not leased by a full-time Town employee after notifying all eligible full-time Town employees that such unit is available, and following the completion of the lottery if applicable, it shall be leased to a person in Category 2. If more than one full-time employee is interested in the unit the Town shall conduct a lottery as outlined in Section C below. If the first person chosen in the lottery does not sign a lease with the Town within fourteen (14) days of the lottery, the next person on the list for that unit shall be given the option to lease the unit within fourteen (14) days of notice from the Town, etc. A "full-time employee" works a minimum of 37.5 hours per week, 52 weeks per year. A person who is a seasonal employee but is not currently employed by the Town is a Category 4 person unless they have worked for the Town more than one season in which case they are deemed to be a Category 2 person.

2. The Town shall notify part-time and seasonal Town employees when a Town rental living unit becomes available and when it has not been leased by a full-time Town employee. If a unit is not leased by a part-time or seasonal Town employee after notifying all eligible seasonal and part-time Town employees that the unit is available, and following the completion of the lottery if applicable, it shall be leased to a person in Category 3. If more than one part-time or seasonal employee is interested in the unit the Town shall conduct a lottery as outlined in Section C below. If the first person chosen in the lottery does not sign a lease with the Town within fourteen (14) days of the lottery, the next person on the list from the lottery shall be given the option to lease the unit within fourteen (14) days of notice from the Town, etc. At the termination of employment, the lease is subject to Section 4 of these guidelines.

3. The Town shall request that anyone in Category 3 who is interested in leasing the Town rental living unit complete a rental application when no full-time, seasonal or part-time Town employee leases the unit. The Town shall notify the persons in Category 3 and accept applications for a thirty (30)-day period following the date of such notification. The Town shall conduct a lottery as outlined in Section C below of those who have completed rental applications to identify the person to lease the unit. If the first person chosen in the lottery does not sign a lease with the Town within fourteen (14) days of their selection in the lottery, the next person on the list from the lottery shall be given the option to lease the unit, etc.

4. If no applicants from Category 3 lease the Town owned rental living unit, the unit shall be advertised in the Crested Butte News once. If more than one applicant is interested in the unit the Town shall conduct a lottery as outlined in Section C below. Prior to conducting the lottery, references of potential applicants shall be checked and verified. If the first person chosen in the lottery does not sign a lease with the Town within fourteen (14) days of the lottery, the next person on the list from the lottery shall be given the option to lease the unit within fourteen (14) days of notice from the Town, etc.

C. *Lottery process.* If there is more than one interested applicant in a Town rental living unit in the applicable category, then the Town shall conduct a lottery. Each applicant shall receive a minimum of one (1) lottery pick. For every one (1) full year of employment with the Town or the current essential services employer, that applicant will receive one (1) additional lottery pick. If the employee was a former seasonal or part-time employee they will receive an additional .5 lottery pick for those years served which such .5 will be rounded downward. This does not apply for general members of the public in Category 4 which will each only receive one lottery pick for the unit. Applicants will be notified of the date, time and place of the drawing. Attendance at the drawing is not mandatory but encouraged. At the lottery one pick will be made at a time. In the event of multiple employees entering the lottery multiple names will be drawn and priority in the order picked in the event the winning applicant and next prioritized person does not sign a lease.

#### **Section 4. Termination of employment.**

Town employees or essential service employees shall vacate the Town owned living unit within thirty (30) days of date of termination of employment, or at the end of the lease period, whichever occurs first. Seasonal employees, who do not return for the following season, shall vacate the unit within thirty (30) of their last day of work.

#### **Section 5. Accessory Dwelling Unit located in Block 78 Lot 5.**

The accessory dwelling unit is intended to be rented to a Town intern. If no intern is budgeted by any Town department the unit will be leased for a one (1) year term in conformance with Section 2 above and may be renewed by the Town and lessee for an additional one (1) year period if no intern is budgeted for the next fiscal year so long as such lessee in compliance with all terms of the lease. If no Town intern is hired the for a fiscal year the unit will be offered under the same process as identified above but be subject to a one (1) year lease.